

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY

MEMORANDUM

To: James Beougher, Director
Child and Family Services Administration

December 10, 1998

From: Rita Barker, Director
Office of Internal Audit

Subject: Audit of Walled Lake Adult Foster Care Home
Assignment #98-236

The Office of Internal Audit performed a limited scope audit of the Walled Lake Adult Foster Care Home, which is licensed by the State of Michigan to provide care to the elderly placed in their custody, and to serve as guardian while the residents are in their care. The Walled Lake Adult Foster Care Home is also required to keep records of income and expenses for the residents.

Our audited included a review of the income and expenses that were recorded for the residents and the supporting documentation for the deposits and withdrawals recorded on the client ledger sheets. The records we reviewed covered the period from January, 1994 through April, 1998. However, the residents had been in care for 10 to 20 years.

Our review of the records of the residents' income and expenses disclosed the following:

1. The records are not complete. Records were not available for the period prior to 1994. We therefore could not address income and expenses for that period, nor could we determine if the beginning balance was accurate.
2. Some Social Security Disability payments were not posted to the records.
3. The records had numerous math errors.
4. One resident's record indicated that dog food had been purchased.
5. Not all of the interest paid by the bank was posted to the residents' records, resulting in an incorrect final payoff amount in some cases.

The attached schedule summarizes our comparison of the amounts that should have been paid out to residents to the amounts that were actually paid out. The results vary by resident. The total amount underpaid for the 15 residents included in our review was \$3,424.52.

Please contact me if you have any questions or need additional information.

Attachment

c: A. Schultz
M. Jasonowicz
R. Cecil

Name	Amount Paid	Audited Amount	Under/(Over) Paid
Susan Hersh	\$224.53	\$224.53	\$0.00
John LeClave	\$823.56	\$1,401.77	\$578.21
Frank Anselmino	\$60.86	\$125.76	\$64.89
Delbert Harris	\$475.58	\$549.27	\$73.69
Michael Lamb	\$1,000.37	\$1,384.90	\$384.53
Niel Gardivali	\$1,166.25	\$381.72	(\$784.53)
Cathy Spaide	\$707.61	\$2,077.19	\$1,369.58
Marion Farough	\$522.93	\$1,269.05	\$746.12
Roseanne Garza	\$830.95	\$1,053.47	\$222.52
Carl Shrewsberry	\$0.00	(\$240.77)	(\$240.77)
Robin Gossette	\$765.23	\$1,331.88	\$566.65
Lynette Groening	\$547.59	\$330.96	(\$216.63)
Jeffrey Sabol	\$0.00	(\$215.61)	(\$215.61)
Cathy Casstevens	\$788.54	\$1,509.99	\$721.45
Phillip Roy	\$0.64	\$155.06	\$154.42
Total	\$7,914.64	\$11,339.17	\$3,424.52